HOUSING MARKET INFORMATION

HOUSING MARKET OUTLOOK

Canada Edition

Canada Mortgage and Housing Corporation

Date Released: Fourth Quarter 2008

Housing market starting to ease

Overview

Housing starts:
2008: 212,200
2009: 177,975
Resales:
2008: 452,225
2009: 433,375

Housing starts: The multi-family sector will keep residential construction strong this year despite a slow down in single-detached activity. Housing starts this year will remain above the 200,000 unit mark for a seventh consecutive year before dipping to 177,975 units in 2009.

Resales: Rising house prices in recent years have cooled resale activity. Sales of existing homes through the Multiple Listing Service®[1] (MLS®) are forecast to fall 13.6 per cent this year compared to last year's record level, then ease an additional 4.2 per cent in 2009.

Resale prices: Record levels of new listings this year have reduced the upward price pressures that prevailed over the previous six years. As sales of existing homes moderate and new listing continue to increase, the average MLS® price growth this year is expected to ease to 0.3 per cent and 0.1 per cent increase in 2009.

Provincial Spotlight

Saskatchewan: The natural resource sector will sustain economic growth in Saskatchewan. Net migration turned positive in 2007, after 22 years of negative net flows. The economy and shift in migration are key factors driving provincial housing starts in 2009.

British Columbia: Economic expansion and job creation will outperform the national average both this year and next. Despite the province's growing population and job numbers, a well-supplied resale home market will offer more choice to home shoppers and moderate new home demand. By 2009, housing starts will have moved back toward their long-term average.

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[1] Multiple Listing Service (MLS) is a registered certification mark owned by the Canadian Real Estate Association

Canada

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National Housing Outlook

In Detail

Housing starts this year will remain above the 200,000 unit mark for a seventh consecutive year as slowing construction of single-detached homes is partially offset by growth in multiples. Housing starts will fall 7.1 per cent to 212,188 units in 2008, then dip an additional 16.1 per cent to 177,975 units in 2009. Even with the slow down, new home construction in 2008-2009 will remain strong in a historical context.

The new home market is moderating due to three key factors. First, strong house price growth over the last six years has tempered home ownership demand particularly in Western Canada. Second, the record high levels of new listings has increased the competition from the existing home market and reduced spillover demand. Third, pent-up demand that built up during the 1990s is nearly exhausted and new home construction will become more aligned with long run demographic demand.

Housing starts will moderate in seven of the ten provinces in 2008, particularly in Western Canada. In Alberta, housing starts are expected to decline by a third compared to the previous year and be more in line with activity in 2001. Higher housing starts this year in Ontario, Saskatchewan and Newfoundland will partially offset the moderating pace in the other seven provinces.

As for 2009, national housing starts are forecast to dip below the 200,000 unit mark.

Higher prices moderate demand for single-detached housing

The rising house prices of previous years will moderate single-detached housing starts where activity is forecast to dip below the 100,000 unit mark. Single-detached starts will decrease 20.7 per cent to 94,263 units in 2008, then drop an additional 11.3 per cent to 83,600 units next year coming off of 10 years of high levels.

For 2009, Alberta will post higher single-detached housing starts, increasing 3.4 per cent, while the remaining provinces will see singles move lower. In Saskatchewan, single starts are expected to fall 23.3 per cent next year, closer to the recent historical average. A slowdown in single-detached starts will also occur in Ontario, Prince Edward Island, Nova Scotia, Newfoundland, and New Brunswick. Modest decreases in single-detached activity are forecast in British Columbia, Manitoba, and Quebec in 2009.

Multi-family housing increases in popularity

As house prices have moved higher, less expensive multi-family housing (row, semi-detached, and apartment units) has increased in popularity relative to single-detached housing. This year and next will see multi-family housing starts out number single-detached activity for the first time since 1982. Furthermore, 2008 marks the fifth consecutive year in which multiple starts have surpassed the 100,000 unit mark.

Multi-family housing starts are forecast to rise 7.8 per cent to 117,925 units this year, while they are forecast to drop by 20.0 per cent to 94,375 units in 2009.

Apartment construction has been growing for 11 consecutive years since bottoming out at just over 23,000 starts in 1996. The resurgence in apartment construction has been pushing multiple starts higher in recent years. Apartment starts are expected to grow 18.1 per cent to 84,725 units in 2008 before declining 21.4 per cent to 66,550 units in 2009.

MLS® sales will ease

Existing home sales activity will ease 13.6 per cent to 452,225 units this year and an additional 4.2 per cent to 433,375 units in 2009 as rising house prices cool home ownership demand.

While sales have been easing throughout the first half of this year, new listings have continued to rise into record territory. Thus, the strong seller's market that has existed since 2002 have given way to balanced market conditions in most regions across Canada.

Resale markets move back into balance

The strong sellers' market conditions in recent years were reflected in strong upward pressure on the average price of homes, which increased in the 9 to 11 per cent range in each of the last six years. The first half of this year has seen an easing in MLS® sales and record high levels of new listings; this has brought balance back to the Canadian resale market. More balanced markets combined with decreased sales activity in the provinces of British Columbia and Alberta, where the provincial average prices are significantly higher than the Canadian average, will cause growth in

the average MLS® price to slow in 2008 and 2009.

As more new listings enter the resale market, and sales begin to ease, future price growth will be well below the price increases seen over the previous 6 years. For 2008 and 2009, the MLS® annual average price will rise 0.3 per cent to $306,500 in 2008 and 0.1 per cent to $306,700 in 2009.

Trends Impacting Housing

Mortgage Rates

The Bank of Canada has cut the Target for the Overnight Rate by a total of 225 basis points since December 2007, bringing the rate down to 2.25 per cent.

Mortgage rates are expected to be relatively stable throughout the last quarter of this year, remaining within 25-50 basis points of their current levels. Posted mortgage rates will decrease slightly in the first half of 2009 as the cost of credit to financial institutions eases. Rising bond yields, however, will nudge mortgage rates marginally higher in the latter half of 2009. For the last quarter of 2008 and in 2009, the one year posted mortgage rate will be in the 6.00-6.75 per cent range, while three and five year posted mortgage rates are forecast to be in the 6.50-7.25 per cent range.

Migration

Net migration (immigration minus emigration) is forecast to increase by 9.2 per cent this year to just over 261,000 people, then remain essentially unchanged in 2009. Historically high levels of migration will continue to support housing demand. The majority of newly arrived immigrants initially settle in rental accommodations then move into home ownership over time. Net interprovincial migration to the West, coming at the expense of central Canada, will continue to boost housing demand in these provinces both this year and next.

Employment and Income

Employment in Canada grew by nearly 194,000 people in the first three quarters of this year and was up 1.1 per cent on a year-over-year basis. Although there is uncertainty, employment growth is expected to be in the 1.4 per cent to 1.8 per cent range this year and in the 0.5 per cent to 1.5 per cent range in 2009. Tight labour market conditions will continue to drive wages and incomes higher.

TRENDS AT A GLANCE

Key Factors and their Effects on Residential Construction

Factor	Comment
Mortgage Rates	Mortgage rates remain low, but have crept higher. Rates are expected to remain low in a historical context both this year and next. Mortgage carrying costs will remain high due to past price appreciation, thus cooling home ownership demand, particularly for first-time buyers.
Employment	A near record share of Canadians are currently employed. Job creation is expected to slow as employment growth is forecast to be increasingly constrained by population growth. Tight labour markets will continue to drive up wages and income, thereby adding to strong domestic demand. Positive job growth will continue to foster housing demand, but at a slower rate than last year.
Income	A tight labour market will continue to push wages and incomes higher. Rising incomes will offset part of the impact of mortgage carrying costs on homeownership demand.
Net Migration	Net migration is forecast to increase in 2008 and remain at a high level through 2009. Positive net interprovincial migration to the West will continue to support housing demand.
Natural Population Increase	Canada's aging population is resulting in a smaller proportion of people in their child bearing years. The declining birth rate is slowing the rate of increase in the natural population (births - deaths). This will lessen the demand for additional housing stock in the medium and longer term.
Resale Market	Slowing sales combined with record levels of listings have pushed the majority of Canadian existing home markets into balanced territory. Balanced market conditions will ease future house price growth in the near term.
Vacancy Rates	Increased competition from the condo market and modest rental construction will be partly offset by strong rental demand due to high immigration and a rising gap between the cost of home ownership and renting. As a result, vacancy rates across Canada's metropolitan centres will remain relatively stable this year and next.

Special Report: Outlook for Housing Starts 2008-2012

Housing starts peaked in 2004 and will remain above the 200,000 unit threshold for a seventh consecutive year in 2008. In the near term, housing demand will move more in line with demographic fundamentals. Housing starts will then rebound slightly in 2011 and 2012.

In 2008, housing starts will exceed 200,000 units for a seventh consecutive year, a feat last accomplished during the 1971-1978 period.

However, housing starts are forecast to moderate as the supply of existing homes listed for sale and the inventory of built and unoccupied new homes increase. New home construction will slow to approximately 178,000 units in 2009 and 2010, a level consistent with demographic fundamentals.

Despite the financial market turbulence and related economic uncertainty, the outlook for Canadian GDP growth remains positive over the medium term. Overall, according to most current forecasts, Canada's real GDP growth will moderate to a range of 0.4 per cent to 1.0 per cent in 2008, and from -0.3 per cent to 2.2 per cent in 2009. The Bank of Canada's forecast sits at 0.6 per cent for both 2008 and 2009 and 3.4 per cent for 2010. Employment growth is expected to remain constrained over this time frame since a record number of Canadians are currently employed. Over the 2008 to 2012 period employment growth will average 1.3 per cent annually; a pace sufficient to keep the unemployment rate in the 6 per cent to 7.2 per cent range.

Global economies have been hit by the financial turmoil in the United States, leading central banks around the world to reduce interest rates. The Bank of Canada's overnight lending rate was lowered by 25 basis points October 21st 2008 to 2.25 per cent. The Bank has reduced interest rates by a total of 225 basis points since December 2007. We expect that both short and long term interest rates will be fairly stable going forward, however, global market conditions are a major risk to interest rate movements. Longer term mortgage rates, such as the five year fixed mortgage rate, will ease between now and the first half of 2009, and then trend gradually higher.

Population growth is a key driver of housing demand over the longer term and a key component of it is immigration. Looking ahead, continuing tight labour market conditions will attract a large number of immigrants to Canada over the next five years. Accordingly, high net migration through 2012, will help boost population growth and household formation. This will support a small increase in housing starts in 2011 and 2012. Ontario, Quebec, British Columbia, and Alberta will continue to attract most of the new immigrants settling in Canada.

Housing starts will remain high but will decrease between 2008 and 2010

A gradual increase in mortgage rates combined with strong growth in house prices in recent years has pushed up mortgage carrying costs, particularly in western provinces. This and the erosion of the pent-up demand from the 1990s, will cause housing demand to gradually moderate over this time frame. As balanced conditions become the norm in the existing home market and home buyers face more choice thanks to a higher level of listings, there will be less spillover of housing demand from the resale home market into the new home market. These factors will lead to a gradual decrease in the pace of new home construction from 212,188 units in 2008 to 177,550 units in 2010. In 2011 and 2012, housing starts are forecast to increase slightly to 184,125 units and 190,625 units respectively, reflecting an increase in Ontario, Alberta and British Columbia.

Provincial Details

British Columbia

Population flows to the west will support homeownership demand in British Columbia, but moderating economic conditions will dampen home starts during the next three years. Following an extended period of growth, starts peaked at 39,195 units in 2007. Increasing construction costs and a well-supplied resale market will dampen residential construction. Home starts will dip below the level consistent with population growth during the next three years as the market adjusts to changed supply and demand conditions. New home starts will increase in 2011 and 2012 as a result of improving economic conditions and the supply of existing homes for sale being absorbed.

Alberta

Economic growth in Alberta is expected to continue over the forecast period thanks to continued capital investment in the oil sands and subsequent gains in production. Alberta's home building industry, however, will face continued slower activity for at least a few more years.

Since 2006, new home construction has been running above demographic requirements, compounded by an excess supply of resale listings, rising new home inventories, and buyer retrenchment in response to recent price escalation. Such conditions have already resulted in a sharp decline in single-detached production. However, the necessary correction in the multi-family market has yet to conclude. As a result, housing starts will drift downward through the next few years, from 29,750 units in 2008 to 24,000 in 2009. Providing housing markets work through the excess supply of resale listings and rise in new home inventories, housing starts should begin to rebound by 2010. Rising net migration owing to heightened oil sands and upgrader investment will also fuel a recovery in new home construction.

Saskatchewan

Saskatchewan will be among the provincial economic growth leaders over the next five years, thanks to an abundance of natural resources, a number of major capital projects, and strong levels of net migration. Current conditions are pushing housing starts to a 25-year high in 2008, reaching 6,500 units. Despite favourable economic prospects moving forward, Saskatchewan builders will contend with a number of constraining factors. Rapid price escalation from 2007 and 2008 will be a dominant factor limiting demand in the near term. Meanwhile, local housing markets will need to work through the rapid rise of resale listings and increased new home inventories before housing starts rebound. Housing starts will trend downward throughout the next few years, from high levels of 6,500 units in 2008 to 4,600 in 2010. A modest rebound is expected toward the end of the forecast period which is more in line with market fundamentals providing markets become more balanced.

Manitoba

Through the next five years, Manitoba home builders will experience the most consistent demand across Canada. By 2012, housing starts will surpass 5,000 units for the seventh consecutive year. Net migration will be a dominant factor driving new home demand. International migration will be among the highest levels on record, owing to Manitoba's successful Provincial Nominee Program. The loss of migrants from Manitoba to other provinces will also remain low by historical standards, thanks to a strong economy and low unemployment rate. These factors will boost population growth and household formation, in turn supporting new home demand. Persistent equity gains in the resale market will also enable a large contingent of owners to upgrade to a new home. Against this backdrop, annual housing starts are expected to total 5,200 units in 2009 and moderate only slightly through 2012 due to rising house prices and more balanced resale market conditions.

Ontario

Beyond 2008, economic and demographic factors point to lower new construction activity. Firstly, slower economic growth will lead to a reduction in employment gains across Ontario and this will limit housing demand for both new and existing homes. Secondly, a more balanced resale market suggests that more consumers will meet their housing needs in the existing home market. Finally, fewer serviced lots available for residential construction will limit opportunities for low density development.

Average annual new home construction activity has been running well above demographic fundamentals in recent years. Ontario starts through to 2010 should edge lower to levels consistent with overall demographic demand. After 2010, stronger immigration and the echo boom effect begin to lend support to stronger household formation and housing demand resulting in an estimated 65,000 housing starts by 2012.

Quebec

Despite remaining at relatively high levels, new home construction in Quebec will moderate during the next five years. A number of factors will pull activity to levels more in line with household formation estimates. To begin with, Quebec's economy and labour market will grow moderately. Moreover, existing home markets will move from sellers' to more balanced conditions, thus reducing demand for new homes. Finally, the decrease, over several years, in the rate of growth of the population aged 75 years or older will take the pressure off the construction of retirement homes during the forecast horizon. As a result, housing starts in Quebec will moderate from around 48,000 units in 2008 to 40,000 units in 2012. It follows that not all segments of the housing market will be impacted in the same way. While demand for new single detached homes is likely to follow economic conditions, that of new multi-family housing will be conditioned by the demographic factors mentioned above.

New Brunswick

Economic growth is expected to improve marginally over the 2009-2012 forecast period due to the expected continuation of capital investment focused on energy sector projects. Major upgrades to New

Brunswick's sole nuclear power generation facility, and the possibility of a new refinery in Saint John could provide additional economic activity.

Urbanization will remain the main driver of growth for the residential construction sector's largest urban centres including Moncton, Saint John, and Fredericton. Overall, population growth will be modest due to some in-migration. The result will be a small increase in demand for housing over the forecast period. Total housing starts should trend upward from the low of 3,625 units in 2009 to 3,750 units in 2012.

Nova Scotia

Economic and employment growth are forecast to improve moderately through 2012 due to an expected rise in energy and energy-related investment. A number of smaller projects in Halifax should contribute to economic activity as Halifax remains the main driver of growth for the province. Provincial housing market activity will continue to descend gradually before rebounding slightly later in the forecast period. Total annual housing starts are forecast to decline marginally to 3,725 in 2009 before rising gradually to 4,000 starts by 2012.

Prince Edward Island

The Island's economy will continue to grow very modestly over the 2009 to 2012 period. The most important sectors supporting growth will continue to be the tourism, agriculture and the fishery. Renewable energy as well as information technology are continuing to be considered as part of the backbone for future economic growth. The Island's growing aerospace industry, which is located mainly in the Summerside area, is also expected to be one sector that continues to expand.

A positive outlook for growth in the provincial population is also expected to continue as retiring workers return home to PEI. Urbanization will continue to support the housing markets in both Charlottetown and Summerside as demand continues to shift from singles to multiples including semi-detached and row housing over the forecast period. As a result total starts will rise slightly to 625 units by 2012 from the lowest point of 600 units which is expected to occur in both 2009 and 2010.

Newfoundland and Labrador

The current provincial government's intention is to continue to support the resource-rich region, by partnering with business in all future major energy projects.

Concerns over the fishing industry will continue to pose risk to rural economies. Population losses will continue to moderate over the forecast period as a result of an improving economic outlook. Urbanization trends continue, with housing demand within the St. John's region improving at a much faster pace than other areas throughout the province.

Growing demand from seniors, tighter rental markets, a continuing shift towards medium density housing, and government assisted affordable housing initiatives should limit the declines in multiple construction activity over the forecast period. Accordingly, total starts are expected to decline marginally from 2,725 in 2009 to 2,400 by 2012.

Supplementary Table: Provincial Housing Starts Summary
(units and annual percentage change)

	2007	2008(F)	2009(F)	2010(F)	2011(F)	2012(F)
NFLD	**2,649**	**3,100**	**2,725**	**2,600**	**2,500**	**2,400**
%	18.6	17.0	-12.1	-4.6	-3.8	-4.0
PEI	**750**	**700**	**600**	**600**	**625**	**625**
%	1.6	-6.7	-14.3	0.0	4.2	0.0
NS	**4,750**	**4,300**	**3,725**	**3,750**	**3,900**	**4,000**
%	-3.0	-9.5	-13.4	0.7	4.0	2.6
NB	**4,242**	**4,200**	**3,625**	**3,650**	**3,700**	**3,750**
%	3.8	-1.0	-13.7	0.7	1.4	1.4
QUE	**48,553**	**47,938**	**42,000**	**41,500**	**41,000**	**40,000**
%	1.4	-1.3	-12.4	-1.2	-1.2	-2.4
ONT	**68,123**	**74,450**	**62,000**	**60,000**	**62,000**	**65,000**
%	-7.2	9.3	-16.7	-3.2	3.3	4.8
MAN	**5,738**	**5,450**	**5,200**	**5,150**	**5,100**	**5,050**
%	14.1	-5.0	-4.6	-1.0	-1.0	-1.0
SASK	**6,007**	**6,500**	**4,900**	**4,600**	**4,800**	**5,000**
%	61.7	8.2	-24.6	-6.1	4.3	4.2
ALTA	**48,336**	**29,750**	**24,000**	**27,500**	**30,000**	**33,000**
%	-1.3	-38.5	-19.3	14.6	9.1	10.0
BC	**39,195**	**35,800**	**29,200**	**28,200**	**30,500**	**31,800**
%	7.6	-8.7	-18.4	-3.4	8.2	4.3
CAN*	**228,343**	**212,188**	**177,975**	**177,550**	**184,125**	**190,625**
%	0.4	-7.1	-16.1	-0.2	3.7	3.5

SOURCE: CMHC.
(F) Forecast.
* Totals may not add due to rounding.

British Columbia

Overview

BC's economy and housing markets will moderate. The impact on housing demand of slower job growth will be partly offset by income and population growth. Expect fewer home starts and resales, and lower prices.

Low unemployment bodes well for housing demand. Incomes and wages are likely to increase. Employment opportunities will attract people to the province, increasing population-driven demand for housing. Major Vancouver transportation projects, including the Canada Line, the New Pitt River Bridge and the Twinning of the Port Mann Bridge, will open up more areas for development.

Resale markets are already responding to the changing conditions. Increased home listings and fewer resales will moderate house price increases. Homebuyers will take more time to shop. Lower prices will be welcomed by homebuyers, especially first-time buyers who have not benefited from the run-up in home prices during this housing cycle.

Expect lower new home construction. Developers will be challenged by lower prices and still rising construction costs. Home starts will move to levels more in line with population growth. Foundations will be poured for 29,200 homes next year, down from 35,800 homes in 2008.

In Detail

Single Starts: High house prices and lower consumer demand will dampen detached home starts and reinforce the shift to denser, less expensive home types. Single-detached starts will hover near 11,500 units in 2009.

Multiple Starts: Multiple starts will moderate next year. Builders will work to complete projects currently underway and projects which pre-sold during 2007 and 2008.

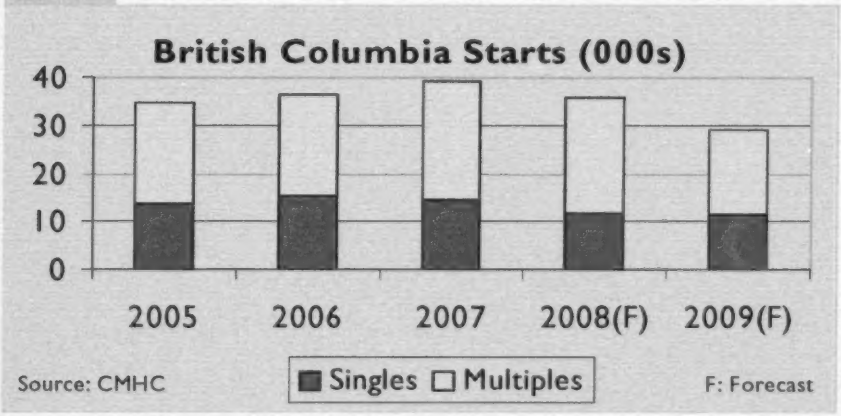
Resales: Existing home sale numbers will dip. Some buyers will delay home purchases until they are more confident about their purchase.

Prices: Home prices will adjust to lower homeownership demand and increased supply of homes for sale. Sellers' market conditions have given way to buyers' market conditions which is being reflected in downward adjustments in house prices.

Provincial Highlight

Inventories of newly completed and unoccupied homes remain low in BC's urban centres but are slowly increasing as homes that had been under construction are ready for occupancy. In Vancouver, there were just under 300 apartment condominium units completed and unoccupied at the end of August, up from 236 units at the end of March 2008.

Figure 1



Source: CMHC

F: Forecast

Alberta

Overview

Economic growth will continue but will come off from its strong pace in recent years due to more moderate consumer spending growth, housing activity, and a slowdown in non-conventional oil production. Solid wage gains and the elimination of health care premiums will encourage personal consumption while an impressive provincial surplus will boost public infrastructure and capital spending.

Net migration is forecast to climb 29 per cent in 2008 to 56,000 people, and then remain virtually unchanged through 2009. International immigrants will strongly outnumber those from other provinces, as businesses look to other countries to meet their labour requirements.

Labour shortages will persist, as full-employment conditions slow the pace of labour force expansion. Job creation will moderate to 2.6 per cent this year and 1.3 per cent in 2009, from the record 4.7 per cent gain in 2007.

In Detail

Single Starts: Weaker net migration and strong price gains from previous years have limited new housing. Combined with an oversupplied resale market and a surplus of unoccupied new units, single-detached starts are expected to decline to 14,500 units. Expect a modest improvement by mid-2009, providing resale active listings and new home inventories are past their peak. Recent price softening will also provide an opportunity for buyers moving forward.

Multiple Starts: Despite a 25 per cent decline in starts this year, multi-family construction in Alberta will need a further adjustment of 41 per cent in 2009 to be in line with levels during the early 2000s. Most of next year's decline will occur in Calgary, where 2008 production will be among the highest levels in 27 years.

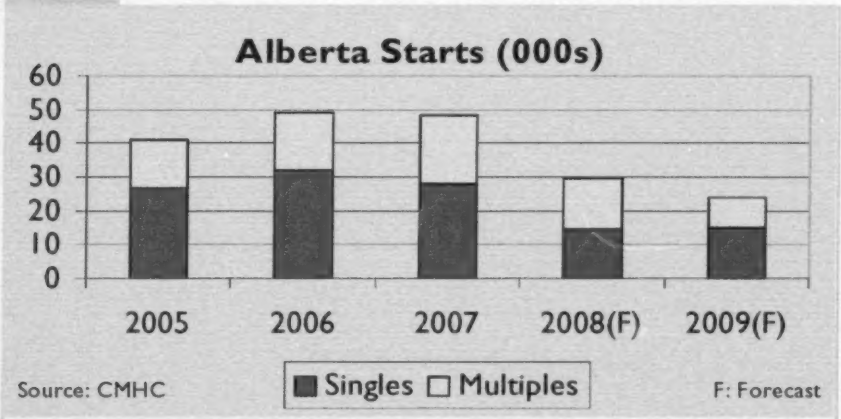
Resales: Despite the recent softening in home prices, hefty price escalation from the previous two years has resulted in a sharp drop in sales this year. Existing home sales will fall 17 per cent in 2008. With prices softening in most markets this year, the resulting gains in affordability should promote a modest improvement in sales in 2009.

Prices: The average resale price will decline for the first time in 13 years. Active resale listings are now past their peak, but will remain elevated by historical standards. After a 0.8 per cent decline in 2008, Alberta's average resale price will advance 0.7 per cent in 2009, reaching $356,000.

Provincial Highlight

On August 26th, the Alberta government presented its fiscal update for 2008. Highlights include a projected $8.5 billion budget surplus, a $7 billion increase over the original budget estimate released in April. The surplus revision is due primarily to increases in resource revenues. Natural gas royalties are expected to be $3.5 billion more than originally budgeted, while oil royalty estimates exceed the original forecast by $3 billion. The province commits one-third of surplus monies to savings and the remaining two thirds are allocated to infrastructure and capital programs.

Figure 2



Saskatchewan

Overview

In only two years, Saskatchewan has progressed to Canada's growth leader. Growth will be underpinned by the natural resources sector. Previously elevated commodity prices and increased production have boosted resource exports, while a number of major projects stimulate capital investment. Population and wage gains are also fuelling a hefty increase in personal consumption.

The province's economic fortunes are reflected in the latest migration figures. After 22 consecutive years of decline, net migration in Saskatchewan rebounded with a record 11,388 migrants last year. Over the next few years, Saskatchewan's favourable economic outlook will ensure fewer people leave for other destinations. However, with Saskatchewan leading price growth in the new and resale housing markets, the surge in housing costs will deter some prospective newcomers from moving to the province.

With full employment conditions, job creation will be limited by the rate of labour force expansion. After a 2.1 per cent gain in 2007, employment growth will moderate to 1.8 per cent in 2008 and 1.2 per cent in 2009.

In Detail

Single Starts: The rapid price escalation over the last couple of years will be a dominant factor pushing starts lower in 2009. A strong rebound in active resale listings, mounting new home inventories, and weaker net migration will moderate new home construction. Starts are expected to be 3,300 units in 2009 after reaching 4,300 units this year.

Multiple Starts: Demand from first-time buyers and investors will drive multiple starts in 2008 to historically high levels. The significant price advantage over single-detached units will ensure construction remains elevated in 2009, though increasing inventories, strong resale competition, and rising costs will push starts downward. Expect 1,600 units to begin construction next year, down from 2,200 in 2008.

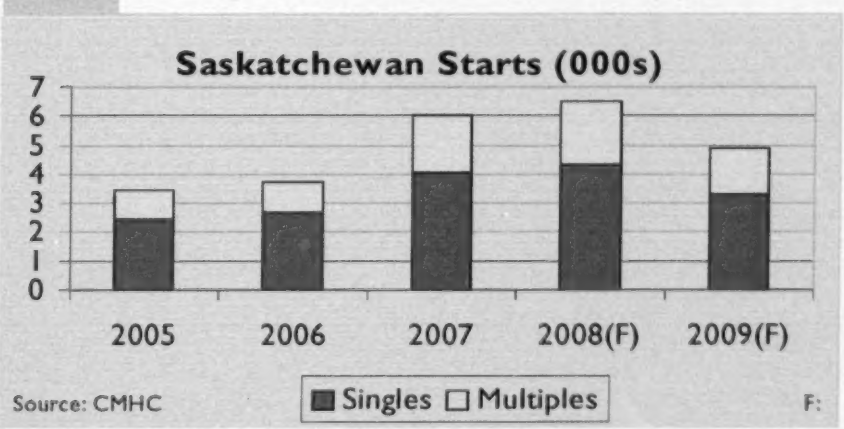
Resales: Sales peaked during the spring of this year as buyers bought in anticipation of further price increases. Since then, a surge in listings has slowed the rate of price growth considerably and buyers have become resistant to the recent run up in prices. The current downward trend in sales will continue into 2009 with a further 12 per cent reduction.

Prices: Following a record 32 per cent gain in 2007, the average MLS® price will advance 28 per cent this year. The majority of 2008's gain will be attributed to strength in the first half of the year. Since then, a sharp rebound in active listings and lower demand has stalled price growth. Under these conditions, the average price will rise only two per cent in 2009.

Provincial Highlight

Average weekly earnings in Saskatchewan are on pace to post the strongest annual increase on record. On a year-to-date basis, average weekly earnings are up 8.1 per cent compared to 4.5 per cent nationally. With a historically low unemployment rate and record high participation, employers have had to bid up wages to attract labour from other provinces. Impressive full-time job growth combined with part-time cuts has also contributed to the wage gains.

Figure 3



Source: CMHC F:

Manitoba

Overview

Strength in non-residential construction will sustain the expansion of the Manitoba economy.

While work on several large scale projects will wind down in 2009, activity at the $1.3 billion Wuskwatim hydro electric dam will accelerate. Vale-Inco will also continue work on its expansion and modernization of the mine site in Thompson, helping to offset the effects of weaker nickel prices that have been largely responsible for a decline in industrial goods and materials exports. Retail sales, while still strong, have moved off the highs set only months ago and will not provide the contribution to GDP growth that they did in 2007.

Manitoba's labour market continues to enjoy historically low unemployment and near record high participation rates. After a 1.7 per cent gain in 2008, job creation next year will be limited by weaker growth in the labour supply. Given the tight labour market conditions, the majority of job creation will continue to be full-time positions. This will bode well for home ownership demand.

Manitoba has been successful in attracting labour supply through their Provincial Nominee program. Program improvements, coupled with an attractive labour market and solid economic growth prospects, will keep the flow of international immigrants near provincial highs. Expect net migration to average 8,800 people annually over the next few years, just shy of the 2007 record.

In Detail

Single Starts: Starts will total 3,900 units in 2008 and 3,800 in 2009. The share of starts outside of Winnipeg will continue to inch upward as a result of persistent strength across a number of centres in southern Manitoba. Thompson will also be a notable contributor to starts for the first time in many years.

Multiple Starts: The 1,550 multi-family starts in 2008 will represent a substantial decline from the multi-decade high set in 2007. Despite inventory levels that have crept up over the course of 2008, demand for multi-family accommodations will remain strong, particularly for units of rental tenure. Expect 1,400 units to begin construction in 2009.

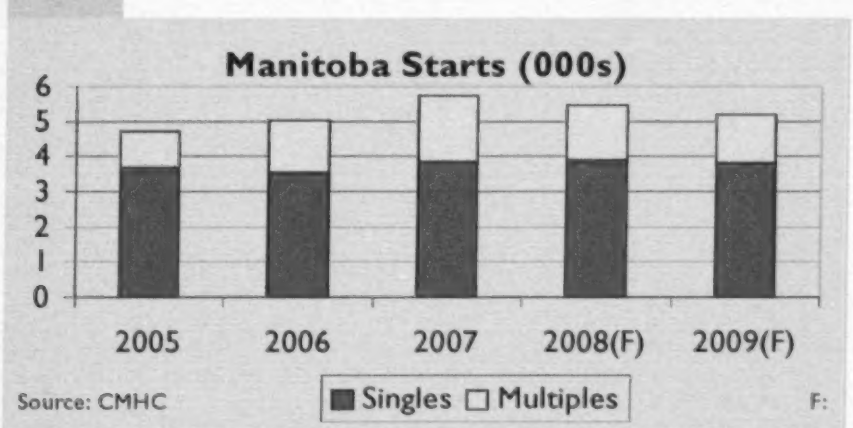
Resales: Existing home sales will decline slightly in 2008 due to a severe shortage of listings in the early part of the year. Additional listings will facilitate a record number of sales in 2009, reaching 14,100 units. Despite the new record, 2009's sales will only surpass the previous two-year average by one per cent.

Prices: Listings shortages earlier in 2008 will result in double-digit price gains for the sixth consecutive year. An increased selection of homes for sale will lead to more balanced market conditions in 2009, resulting in a modest price gain of 3.4 per cent. Expect the average resale price to reach $198,000 next year.

Provincial Highlight

International migration should receive another boost in 2009, as a result of recent amendments to the Provincial Nominee Program. The removal of a set of licensing requirements now allows any skilled worker with ties to the province to apply for residency. While this will streamline the application process for potential immigrants, it should also help address the persistent labour shortages in certain occupations.

Figure 4



Source: CMHC

Ontario

Overview

After edging higher in 2008, Ontario new home construction will moderate reaching 62,000 units in 2009. Housing starts have been running above demographic trends in recent years and this situation is expected to be reversed. Existing home sales, which are a leading indicator of residential construction activity, are moderating and point to lower new construction activity in Ontario in 2009. Slower employment growth and rising house prices in recent years are factors that will affect housing demand.

Economic growth will improve but only gradually in 2009. Sluggish U.S. consumer spending which has affected demand for Ontario's exports, will dissipate moving deeper into next year. Modest provincial GDP growth should take some steam out of service sector employment growth, nevertheless job growth in this sector will continue to lead Ontario's labour market.

In Detail

Single Starts: Single starts will decrease to 31,850 and 25,000 units in 2008 and 2009, respectively.

Multiple Starts: Multi-family home starts will rise to 42,600 units in 2008 before moderating to 37,000 units in 2009. Demand for less expensive multi-family homes, led by apartments, will hold up better as housing starts adjust to lower volumes.

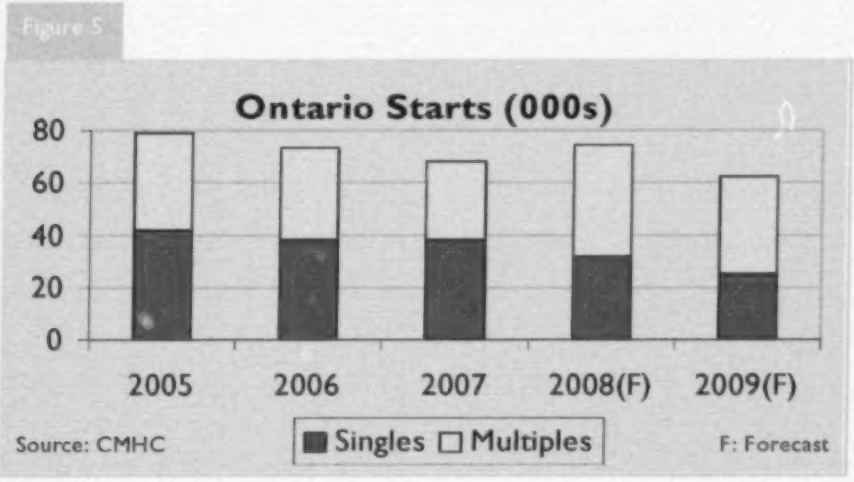
Resales: After posting record sales activity in 2007, Ontario existing home sales will moderate, reaching 187,050 units and 173,000 unit sales in 2008 and 2009, respectively. Rising home prices, slower growth in new listings combined with reduced pent-up demand will dampen activity among first time buyers.

Prices: Ontario existing home prices will grow at a more modest rate rising by 2.4 per cent and 1.8 per cent in 2008 and 2009, respectively. Price growth will be running closer to the general rate of inflation as a slowing job market will dampen income growth and demand for more expensive housing.

Provincial Highlight

Ontario apartment starts have been capturing a larger share of new construction activity in recent years. The share of total starts that apartment starts comprise has more than doubled from 10 per cent to over 20 per cent in the past decade. By the end of 2008, the estimated apartment share will rise to 39 per cent of total residential construction activity. This has raised questions regarding what factors are driving this dynamic and whether the experience of the late 80s will repeat itself. Rising prices for low density housing, provincial efforts to intensify and stable long term investment returns in Ontario residential real estate are key factors in explaining rising apartment demand. But what makes this experience different from activity in the late 80s is the diversity of buyers in the marketplace. Buyers in today's market would include: first time buyers, repeat buyers, investors and empty nesters. A diverse marketplace and prices growing in line with economic fundamentals to a large degree will help ensure market stability.

Figure 5



Quebec

Overview

Moderating economic growth in 2008 and 2009 combined with increased supply in certain segments of the housing market will contribute to lower levels of housing starts in 2009. Housing starts in 2009 will be 42,000 units. The province's economy, has been supported by household spending and public investment. Looking ahead, public spending on infrastructure projects will be relatively immune to external economic shocks, however, consumer spending may soften as a result of a softer labour market. The outlook for exports remains unchanged as the benefits of a lower dollar are offset by decreased global demand.

On a different note, several demographic factors will help sustain housing demand next year. Higher immigration targets (55,000 by 2010) will push up net migration and population aging will continue to fuel demand for apartments.

In Detail

Single Starts: Single starts will decrease due to lower employment growth and the recently rising supply of existing homes listed for sale. Approximately 17,500 starts are expected in 2009.

Multiple Starts: Following a year of vigorous construction in 2007, starts of retirement homes will decrease. Total multi-family home starts will rise to 28,675 units in 2008 and fall to 24,500 units in 2009.

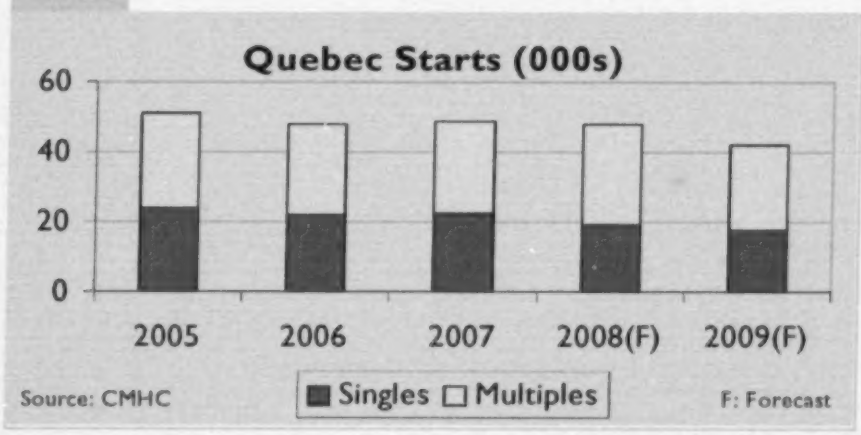
Resales: Sales of existing homes will decline in 2009 but will remain at a high level. Demand for condominiums (town houses or apartments) will remain an important component. The Multiple Listing Service (MLS) should thus record approximately 79,000 sales in 2009.

Prices: Cooling sales and rising inventories will continue to take pressure off prices. Cooling demand should keep price growth under the 2.5 per cent mark in 2009. As a result, the MLS average resale price will reach $ 217,000 in 2009.

Provincial Highlight

Population aging in the province of Quebec has significantly affected its housing markets. Indeed, over the past several years, Quebec's retirement home market has been growing at a strong pace. Moreover, construction of condominiums aimed at the seniors population segment has also been very active. Apart from stimulating home building, this new demand has impacted the resale market, as those seniors who are owners, sell their homes before moving into their new dwellings. While these trends have mainly impacted the province's larger urban centers, CMHC's housing starts survey shows that construction of dwellings aimed at seniors is generally on the rise. However, as vacancy rates begin to rise in this market segment, construction of new units is moderating.

Figure 6



New Brunswick

Overview

Due to a strong dependence on exports, economic growth will continue to be challenged. However, the recent lower dollar will help to offset some of the issues that the higher dollar created for manufacturers in the province last year.

Energy prices will continue to impact the provincial economy. For exporters, and the related transportation industry, energy prices remaining below July's 2008 peak would prove beneficial. However, higher energy prices would help generate opportunities for new investment in the energy sector.

The LNG terminal project and the refurbishment of the Point Lepreau generating station in the Saint John area, as well as the expansion of the Potash Corp. facility in Sussex continue to support non-residential construction activity. The possible addition of a new oil refinery to the Saint John area would help position the region as the energy hub for Atlantic Canada . However, no formal decision is expected until mid 2009.

Employment and economic growth are expected to remain modest in both 2008 and 2009.

In Detail

Single Starts: In 2008, single starts have exceeded last year's pace. However, on the heels of a strong start, year-over-year growth has moderated as the year has unfolded. Expect a mild reduction in single starts to 2,650 units in 2008, followed by 2,325 units in 2009.

Multiple Starts: Although multiple starts were ahead of last year's pace as of the end of August, local builder focus has changed to reflect consumer demand. Apartment starts have declined in 2008, while the popularity of semi-detached units continues to rise. Semi-detached starts in Greater Moncton, which have led the province in recent years, easily surpassed last year's total to the end of August in the first eight months of 2008. Furthermore, semi-detached starts have nearly doubled in Saint John during the same period. As a result, expect a modest increase in multiple starts to 1,550 units in 2008 with 1,300 units in 2009.

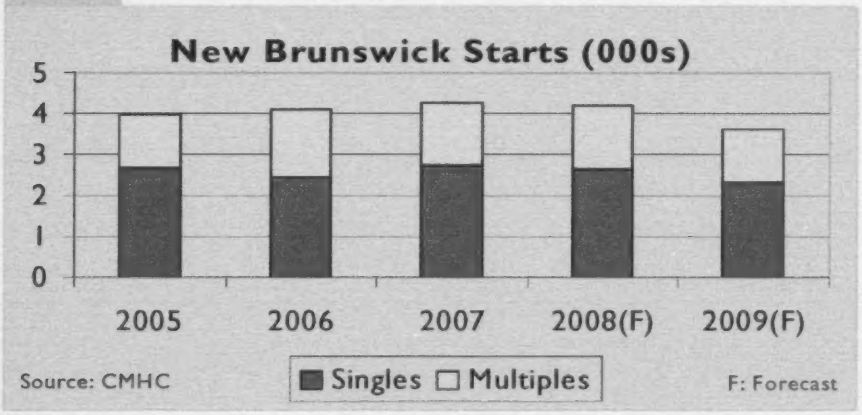
Resales: Favourable conditions for potential home buyers have bolstered the resale market in 2008, although MLS® sales have retreated slightly from last year's record setting levels. MLS® sales are expected to decline to 7,700 and 7,000 units in 2008 and 2009, respectively.

Prices: Although sales activity is expected to slow in 2008, prices continue to rise. As a result, expect the average price of homes to rise to $144,500 in 2008 and $151,500 in 2009.

Provincial Highlight

The province of New Brunswick is increasing it's focus on the energy sector. Several key projects currently underway, combined with the possible construction of a new oil refinery and a second nuclear power generation station offer a glimpse at the potential for capital investment in New Brunswick. Although current and proposed projects are located in the Saint John area, the entire province stands to benefit from economic spinoffs. However, the general consensus is that the local labour force will likely be unable to provide the number of skilled workers necessary to complete the proposed projects, thereby limiting economic expansion in the province. While the housing market stands to benefit from large scale capital projects, it will not be immune to the effects of a labour shortage. The rising cost of labour has already had an impact on the housing market and will undoubtedly become a challenge to economic development in New Brunswick.

Figure 7



Nova Scotia

Overview

Nonresidential investment activity and growth from specific components of the service sector including the financial, professional and scientific, and information and culture sectors have bolstered the provincial economy over the past couple of years. The question remains whether this trend will continue given expected growth in the U.S. economy over the next year.

Economic growth should be sustained. The outlook is supported by the Deep Panuke project which will add to growth in late 2008 as well as 2009.

Other large energy projects such as a petrochemical and LNG plant as well as plans for a deep-water container terminal could add to growth in 2009 and beyond but the US economic situation could impact the outlook for any new projects.

The migration of Nova Scotians westward has temporarily slowed but continued growth in western energy development would continue to challenge companies looking to attract or keep workers in Nova Scotia.

In Detail

Single Starts: The brisk pace of single-detached construction in Nova Scotia so far in 2008 is expected to ease in the autumn months and finish the year with 2.1 per cent fewer starts than last year at 2,825 units. Demand will further moderate in 2009 as single starts are expected to decline further to 2,425 units.

Multiple Starts: Multiple unit starts, which have been weak all year compared to last, are expected to end the year with 1,475 units and 1,300 units in 2009. Despite employment gains in the construction industry, developers continue to face challenging economic and labour market conditions The number of units currently under construction is near record levels in the province and this strain on the labour force is contributing to delays in finishing current projects and delays in starting new ones.

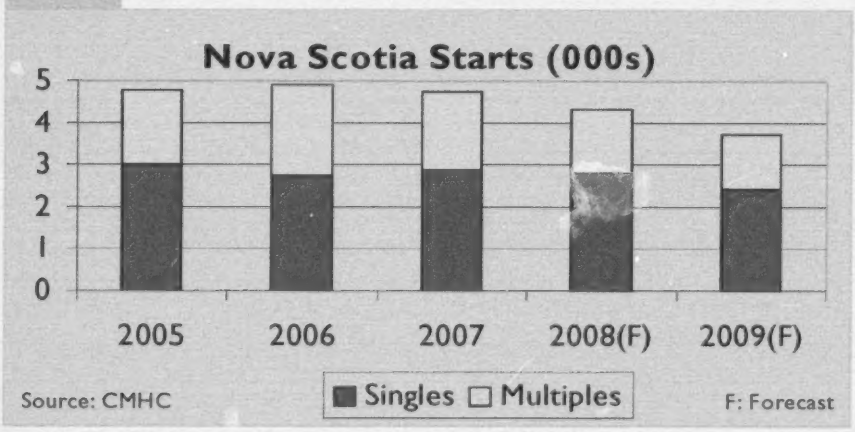
Resales: While sales are expected to decline over the forecast period, sales remain strong historically as 2008 sales, while 5.6 per cent lower than 2007, will be the second highest number on record in the province.

Prices: As MLS® sales moderate amid cooling demand, so too will price growth. Average price in the existing homes market is expected to settle at $190,900 at year's end, which is a 5.5 per cent increase over last year and rise 2.7 per cent in 2009 to $196,000.

Provincial Highlight

Single-detached starts have been resilient across most of Nova Scotia for the better part of 2008, despite the fact that changing trends in provincial demographics indicate that demand in this segment of the market should be slowing. After three quarters, the province's three largest urban areas (Halifax, Cape Breton and Truro) have all posted solid gains in single-detached construction compared to last year.

Figure 8



Prince Edward Island

Overview

Economic growth will moderate in 2008 and 2009.

The tourism sector will continue to be challenged by the sluggish U.S. economy.

Market conditions for potatoes will continue to be challenging as a result of the bad weather and higher costs for fertilizer and other farm inputs as well as increased global competition.

The rate of employment growth is expected to rise marginally in 2008 and 2009.

In Detail

Single Starts: The pace of construction for single detached homes is expected to slow in both 2008 and 2009. The main factors contributing to this decline are economic conditions and the ever increasing cost of new homes. The current forecast calls for 525 units in 2008 and 450 units in 2009.

Multiple Starts: The increased demand for homeownership units will be driven in part by the escalating price of new single homes as well as the changing demographic. As such the forecast for the next two years anticipates 175 units in 2008 and 150 in 2009.

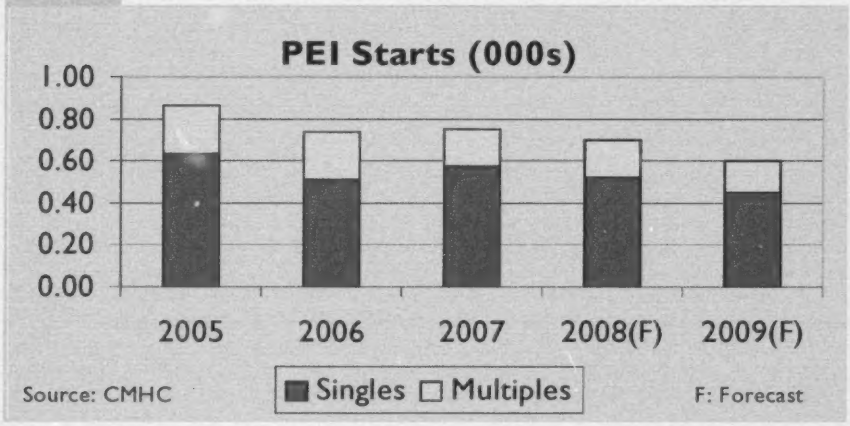
Resales: After a banner year in 2007, the resale market is expected to return to a more sustainable level over the forecast period. Some of the major items leading to the decline in sales are economic conditions and price appreciation of existing homes which will limit the number of first-time buyers. As such, it is expected that MLS® sales will moderate to 1,450 units in 2008 and 1,300 units in 2009.

Prices: The annual average price increase is expected to more closely mirror the inflation rate over the next two years. This is in contrast to the past seven years, during which time the increase averaged almost 7.5 per cent. It is also expected that some of the niche markets within the province will post above average increases, with waterfront properties being the most prominent. The average MLS® sales price is expected to increase to $143,000 by the end of 2009.

Provincial Highlight

The increase in rents should be above average in PEI in 2009, due to the annual average allowable rent increase set by the Island Regulatory and Appeals Commission. The allowable rent increase for 2009 is 9.0 per cent for heated units and 3.0 per cent for non-heated units. The larger than average allowable increase for heated units was caused by increasing fuel prices. While renters in PEI were somewhat sheltered from rising fuel prices last winter, they will feel the lagged effects in 2009.

Figure 9



Newfoundland and Labrador

Overview

The Hebron project continues to drive economic growth. The ramping up of the project will contribute to stronger growth in 2009. However, declines in offshore oil production will dampen provincial GDP growth in 2008.

Terra Nova and Hibernia are expected to continue to see declines in production over the 2008-2009 period.

Higher commodity prices had added to increased mineral exploration activity in the interior region of Newfoundland, as well as Labrador. However, the recent correction in prices may suggest a moderation in growth.

The fishery may benefit from recent declines in fuel costs and the Canadian dollar.

As a result, GDP growth is forecast to moderate in 2008, before rebounding in 2009.

Many people who previously migrated to Western Canada continue to return to Newfoundland. However, energy investment in Western Canada remains strong and this will continue to attract some workers to the West.

In Detail

Single Starts: Solid economic and demographic fundamentals will contribute to strength in housing starts throughout the province in 2008 and 2009. Personal income growth, improving net-migration numbers and healthy labour markets will continue to bolster the single-detached housing market, with 2,650 starts expected this year and 2,300 forecast for 2009.

Multiple Starts: Multiple unit construction will remain relatively stable, with 450 units in 2008 and 425 units in 2009. Smaller households and a bustling economy in St. John's continues to entice developers to get involved in the condo market. As a result, condo starts are forecast to increase in 2008 and 2009. With a recent peak in supply and higher disposable incomes, demand for new semi-detached units is expected to remain steady near the recent lows, as buyers opt for single-detached homes.

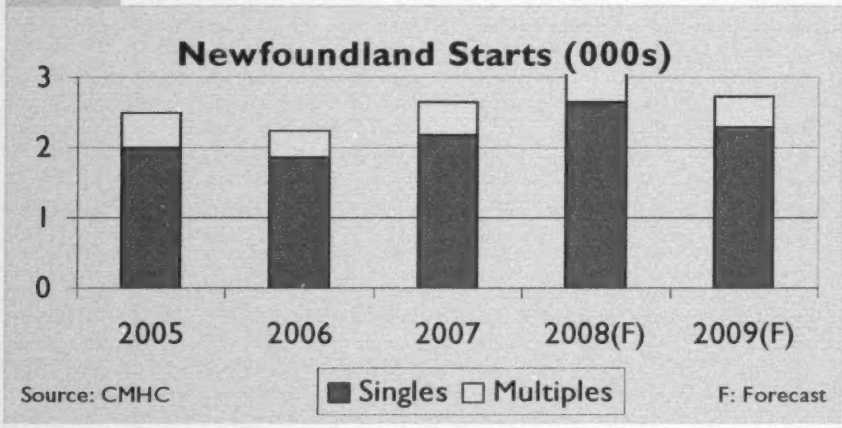
Resales: Recent oil announcements bolstered the MLS® market and record sales have caused a dramatic decline in active listings. Demand will remain high to the end of 2008 and into 2009, but lower inventory will restrain unit sales growth. Accordingly, the forecast is a 7.4 per cent increase to 4,800 provincial MLS® sales this year, with a small decrease to 4,400 in 2009, as demand softens, but this would still be the third highest level of activity on record.

Prices: Unprecedented demand for housing, paired with a low supply of homes for sale, will continue to fuel growth in the average MLS® house price. The outlook is for the average MLS® price to increase 18.3 per cent to $176,500 this year and 6.2 per cent to $187,500 in 2009.

Provincial Highlight

With its oil-rich economy and growing population, July data on the New Housing Price Index (NHPI) showed that year-over-year increases in new house prices in St. John's bucked the national trend and continued to reach record levels. Driven by higher labour and land costs, prices were a notable 24.3 per cent higher compared to July 2007 and up from 22.2 per cent in June. CMHC's average new house price data shows the current average single-detached house price at approximately $250,000 in St. John's, up from $200,000 in 2007. Looking back over the past ten years, the NHPI is up a notable 69.2 per cent.

Figure 10



Source: CMHC

F: Forecast

Figure 11

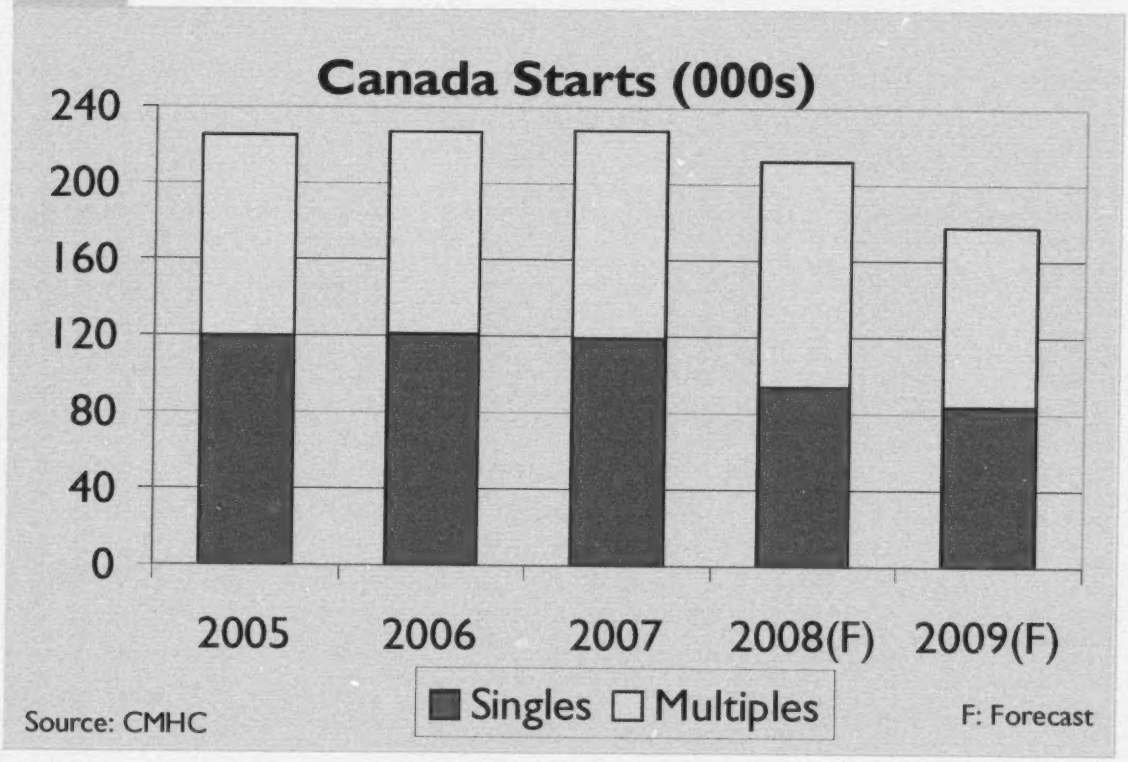

Canada Starts (000s)
240
200
160
120
80
40
0
2005
2006
2007
2008(F)
2009(F)
Singles
Multiples
Source: CMHC
F: Forecast

Table 1: Total Housing Starts
(units and annual percentage change)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	**2,692**	**2,870**	**2,498**	**2,234**	**2,649**	**3,100**	**2,725**
%	11.3	6.6	-13.0	-10.6	18.6	17.0	-12.1
PEI	**814**	**919**	**862**	**738**	**750**	**700**	**600**
%	5.0	12.9	-6.2	-14.4	1.6	-6.7	-14.3
NS	**5,096**	**4,717**	**4,775**	**4,896**	**4,750**	**4,300**	**3,725**
%	2.5	-7.4	1.2	2.5	-3.0	-9.5	-13.4
NB	**4,489**	**3,947**	**3,959**	**4,085**	**4,242**	**4,200**	**3,625**
%	16.2	-12.1	0.3	3.2	3.8	-1.0	-13.7
QUE	**50,289**	**58,448**	**50,910**	**47,877**	**48,553**	**47,938**	**42,000**
%	18.5	16.2	-12.9	-6.0	1.4	-1.3	-12.4
ONT	**85,180**	**85,114**	**78,795**	**73,417**	**68,123**	**74,450**	**62,000**
%	1.9	-0.1	-7.4	-6.8	-7.2	9.3	-16.7
MAN	**4,206**	**4,440**	**4,731**	**5,028**	**5,738**	**5,450**	**5,200**
%	16.3	5.6	6.6	6.3	14.1	-5.0	-4.6
SASK	**3,315**	**3,781**	**3,437**	**3,715**	**6,007**	**6,500**	**4,900**
%	11.9	14.1	-9.1	8.1	61.7	8.2	-24.6
ALTA	**36,171**	**36,270**	**40,847**	**48,962**	**48,336**	**29,750**	**24,000**
%	-6.7	0.3	12.6	19.9	-1.3	-38.5	-19.3
BC	**26,174**	**32,925**	**34,667**	**36,443**	**39,195**	**35,800**	**29,200**
%	21.0	25.8	5.3	5.1	7.6	-8.7	-18.4
CAN*	**218,426**	**233,431**	**225,481**	**227,395**	**228,343**	**212,188**	**177,975***
%	6.5	6.9	-3.4	0.8	0.4	-7.1	-16.1

SOURCE: CMHC.

(F) Forecast.

* The point estimate for the forecast of total housing starts is 212,188 units in 2008 and 177,975 units in 2009. Economic uncertainty is reflected by the current range of forecasts which varies from 200,000 units to 219,000 units in 2008 and 165,000 units to 195,000 units in 2009.

Table 2: Single-Detached Starts
(units and annual percentage change)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	**2,240**	**2,229**	**2,005**	**1,864**	**2,184**	**2,650**	**2,300**
%	7.1	-0.5	-10.0	-7.0	17.2	21.3	-13.2
PEI	**613**	**682**	**634**	**512**	**573**	**525**	**450**
%	5.3	11.3	-7.0	-19.2	11.9	-8.4	-14.3
NS	**2,968**	**3,270**	**3,010**	**2,757**	**2,887**	**2,825**	**2,425**
%	-11.7	10.2	-8.0	-8.4	4.7	-2.1	-14.2
NB	**3,139**	**2,970**	**2,665**	**2,445**	**2,733**	**2,650**	**2,325**
%	13.4	-5.4	-10.3	-8.3	11.8	-3.0	-12.3
QUE	**27,225**	**28,871**	**23,930**	**21,917**	**22,177**	**19,263**	**17,500**
%	7.8	6.0	-17.1	-8.4	1.2	-13.1	-9.1
ONT	**47,610**	**48,929**	**41,682**	**38,309**	**37,910**	**31,850**	**25,000**
%	-6.9	2.8	-14.8	-8.1	-1.0	-16.0	-21.5
MAN	**3,165**	**3,484**	**3,709**	**3,552**	**3,857**	**3,900**	**3,800**
%	4.9	10.1	6.5	-4.2	8.6	1.1	-2.6
SASK	**2,097**	**2,193**	**2,425**	**2,689**	**4,017**	**4,300**	**3,300**
%	8.6	4.6	10.6	10.9	49.4	7.0	-23.3
ALTA	**21,918**	**22,487**	**26,684**	**31,835**	**28,105**	**14,500**	**15,000**
%	-10.6	2.6	18.7	19.3	-11.7	-48.4	3.4
BC	**12,252**	**14,056**	**13,719**	**15,433**	**14,474**	**11,800**	**11,500**
%	14.2	14.7	-2.4	12.5	-6.2	-18.5	-2.5
CAN*	**123,227**	**129,171**	**120,463**	**121,313**	**118,917**	**94,263**	**83,600**
%	-1.7	4.8	-6.7	0.7	-2.0	-20.7	-11.3

SOURCE: CMHC.
(F) Forecast.

Table 3: Multiple Starts
(units and annual percentage change)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	**452**	**641**	**493**	**370**	**465**	**450**	**425**
%	38.2	41.8	-23.1	-24.9	25.7	-3.2	-5.6
PEI	**201**	**237**	**228**	**226**	**177**	**175**	**150**
%	4.1	17.9	-3.8	-0.9	-21.7	-1.1	-14.3
NS	**2,128**	**1,447**	**1,765**	**2,139**	**1,863**	**1,475**	**1,300**
%	32.4	-32.0	22.0	21.2	-12.9	-20.8	-11.9
NB	**1,350**	**977**	**1,294**	**1,640**	**1,509**	**1,550**	**1,300**
%	23.5	-27.6	32.4	26.7	-8.0	2.7	-16.1
QUE	**23,064**	**29,577**	**26,980**	**25,960**	**26,376**	**28,675**	**24,500**
%	34.1	28.2	-8.8	-3.8	1.6	8.7	-14.6
ONT	**37,570**	**36,185**	**37,113**	**35,108**	**30,213**	**42,600**	**37,000**
%	15.7	-3.7	2.6	-5.4	-13.9	41.0	-13.1
MAN	**1,041**	**956**	**1,022**	**1,476**	**1,881**	**1,550**	**1,400**
%	73.2	-8.2	6.9	44.4	27.4	-17.6	-9.7
SASK	**1,218**	**1,588**	**1,012**	**1,026**	**1,990**	**2,200**	**1,600**
%	18.0	30.4	-36.3	1.4	94.0	10.6	-27.3
ALTA	**14,253**	**13,783**	**14,163**	**17,127**	**20,231**	**15,250**	**9,000**
%	0.1	-3.3	2.8	20.9	18.1	-24.6	-41.0
BC	**13,922**	**18,869**	**20,948**	**21,010**	**24,721**	**24,000**	**17,700**
%	27.8	35.5	11.0	0.3	17.7	-2.9	-26.3
CAN*	**95,199**	**104,260**	**105,018**	**106,082**	**109,426**	**117,925**	**94,375**
%	19.5	9.5	0.7	1.0	3.2	7.8	-20.0

SOURCE: CMHC.
(F) Forecast.

Table 4: Housing Starts by Type (Units)

		2003	2004	2005	2006	2007	2008(F)	2009(F)
NF	Semi-Detached	66	264	151	122	133	150	150
	Row	107	51	31	39	72	75	75
	Apartment	279	326	311	209	260	225	200
	Total	452	641	493	370	465	450	425
PEI	Semi-Detached	72	76	111	62	100	100	75
	Row	40	80	75	13	23	25	25
	Apartment	89	81	42	151	54	50	50
	Total	201	237	228	226	177	175	150
NS	Semi-Detached	338	266	301	353	333	200	150
	Row	277	186	265	255	221	325	250
	Apartment	1,513	995	1,199	1,531	1,309	950	900
	Total	2,128	1,447	1,765	2,139	1,863	1,475	1,300
NB	Semi-Detached	254	293	391	482	530	650	600
	Row	143	256	203	275	195	150	150
	Apartment	953	428	700	883	784	750	550
	Total	1,350	977	1,294	1,640	1,509	1,550	1,300
QC	Semi-Detached	2,432	2,932	2,678	2,599	2,750	3,175	2,700
	Row	773	1,109	1,074	1,343	1,934	2,100	1,800
	Apartment	19,859	25,536	23,228	22,018	21,692	23,400	20,000
	Total	23,064	29,577	26,980	25,960	26,376	28,675	24,500
ON	Semi-Detached	6,379	5,172	4,673	4,393	4,284	3,000	1,875
	Row	12,191	12,824	12,537	11,046	11,255	10,600	9,625
	Apartment	19,000	18,189	19,903	19,669	14,674	29,000	25,500
	Total	37,570	36,185	37,113	35,108	30,213	42,600	37,000
MAN	Semi-Detached	88	132	133	178	175	75	100
	Row	62	92	161	158	198	325	250
	Apartment	891	732	728	1,140	1,508	1,150	1,050
	Total	1,041	956	1,022	1,476	1,881	1,550	1,400
SK	Semi-Detached	95	184	236	123	317	350	400
	Row	594	681	378	423	831	600	500
	Apartment	529	723	398	480	842	1,250	700
	Total	1,218	1,588	1,012	1,026	1,990	2,200	1,600
ALB	Semi-Detached	2,567	2,916	3,012	3,807	3,699	2,600	2,400
	Row	2,859	2,401	2,951	2,935	4,377	2,900	2,600
	Apartment	8,827	8,466	8,200	10,385	12,155	9,750	4,000
	Total	14,253	13,783	14,163	17,127	20,231	15,250	9,000
B.C.	Semi-Detached	1,353	2,062	1,791	2,239	2,111	1,950	1,300
	Row	3,297	4,387	4,459	4,476	4,175	3,850	2,800
	Apartment	9,272	12,420	14,698	14,295	18,435	18,200	13,600
	Total	13,922	18,869	20,948	21,010	24,721	24,000	17,700
CAN	Semi-Detached	13,644	14,297	13,477	14,358	14,432	12,250	9,750
	Row	20,343	22,067	22,134	20,963	23,281	20,950	18,075
	Apartment	61,212	67,896	69,407	70,761	71,713	84,725	66,550
	Total	95,199	104,260	105,018	106,082	109,426	117,925	94,375

Source: CMHC (F) Forecast.

Table 5: Total Residential Resales
(units and annual percentage change)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	**3,238**	**3,265**	**3,211**	**3,537**	**4,471**	**4,800**	**4,400**
%	7.4	0.8	-1.7	10.2	26.4	7.4	-8.3
PEI	**1,404**	**1,500**	**1,449**	**1,492**	**1,769**	**1,450**	**1,300**
%	7.5	6.8	-3.4	3.0	18.6	-18.1	-10.3
NS	**9,221**	**8,887**	**10,948**	**10,697**	**11,857**	**11,175**	**10,175**
%	-10.0	-3.6	23.2	-2.3	10.8	-5.8	-8.9
NB	**5,489**	**5,979**	**6,836**	**7,125**	**8,161**	**7,700**	**7,000**
%	7.9	8.9	14.3	4.2	14.5	-5.6	-9.1
QUE	**68,702**	**70,669**	**72,670**	**74,192**	**83,847**	**81,400**	**79,000**
%	-1.5	2.9	2.8	2.1	13.0	-2.9	-2.9
ONT	**184,457**	**197,353**	**197,140**	**194,930**	**213,379**	**187,050**	**173,000**
%	3.6	7.0	-0.1	-1.1	9.5	-12.3	-7.5
MAN	**11,523**	**12,098**	**12,761**	**13,018**	**13,928**	**13,900**	**14,100**
%	3.7	5.0	5.5	2.0	7.0	-0.2	1.4
SASK	**7,698**	**8,172**	**8,312**	**9,140**	**12,054**	**10,250**	**9,000**
%	-3.0	6.2	1.7	10.0	31.9	-15.0	-12.2
ALTA	**51,334**	**57,460**	**65,866**	**74,350**	**71,430**	**59,500**	**61,000**
%	0.6	11.9	14.6	12.9	-3.9	-16.7	2.5
BC	**93,095**	**96,385**	**106,310**	**96,671**	**102,805**	**75,000**	**74,400**
%	12.5	3.5	10.3	-9.1	6.3	-27.0	-0.8
CAN*	**436,161**	**461,768**	**485,503**	**485,152**	**523,701**	**452,225**	**433,375**
%	3.8	5.9	5.1	-0.1	7.9	-13.6	-4.2

SOURCE: The Canadian Real Estate Association.
(F) Forecast by CMHC.

Table 6: Average Residential Resale Price ($)
(units and annual percentage change)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	**119,822**	**131,499**	**141,167**	**139,542**	**149,258**	**176,500**	**187,500**
%	6.0	9.7	7.4	-1.2	7.0	18.3	6.2
PEI	**101,745**	**110,815**	**117,238**	**125,430**	**133,457**	**139,000**	**143,000**
%	7.1	8.9	5.8	7.0	6.4	4.2	2.9
NS	**136,292**	**146,033**	**159,221**	**168,614**	**180,989**	**190,900**	**196,000**
%	7.6	7.1	9.0	5.9	7.3	5.5	2.7
NB	**105,858**	**112,933**	**120,641**	**126,864**	**136,603**	**144,500**	**151,500**
%	5.7	6.7	6.8	5.2	7.7	5.8	4.8
QUE	**148,895**	**167,546**	**180,529**	**190,348**	**202,392**	**211,800**	**217,000**
%	16.0	12.5	7.7	5.4	6.3	4.6	2.5
ONT	**226,824**	**245,230**	**262,949**	**278,364**	**299,544**	**306,850**	**312,250**
%	7.5	8.1	7.2	5.9	7.6	2.4	1.8
MAN	**106,788**	**119,245**	**133,854**	**150,229**	**169,189**	**191,500**	**198,000**
%	10.6	11.7	12.3	12.2	12.6	13.2	3.4
SASK	**104,995**	**110,824**	**122,765**	**132,078**	**174,405**	**222,500**	**227,000**
%	3.7	5.6	10.8	7.6	32.0	27.6	2.0
ALTA	**182,845**	**194,769**	**218,266**	**285,383**	**356,235**	**353,500**	**356,000**
%	7.4	6.5	12.1	30.7	24.8	-0.8	0.7
BC	**259,968**	**289,107**	**332,224**	**390,963**	**439,119**	**449,450**	**418,200**
%	8.8	11.2	14.9	17.7	12.3	2.4	-7.0
CAN**	**206,492**	**225,678**	**248,343**	**276,095**	**305,707**	**306,500**	**306,700**
%	9.7	9.3	10.0	11.2	10.7	0.3	0.1

SOURCE: The Canadian Real Estate Association.
(F) Forecast
** Excludes Yukon and Northwest Territories and Nunavut.

Table 7: Employment
(annual percentage change)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	2.5	0.9	-0.1	0.7	0.6	1.5	1.5
PEI	2.2	1.2	1.9	0.6	1.0	1.2	0.8
NS	2.0	2.6	0.2	-0.3	1.3	1.0	1.0
NB	0.0	2.0	0.1	1.4	2.1	1.0	1.2
QUE	1.6	1.4	1.0	1.3	2.3	0.7	0.6
ONT	3.0	1.7	1.3	1.5	1.6	1.5	0.7
MAN	0.5	1.1	0.6	1.2	1.6	1.7	0.7
SASK	1.7	0.8	0.8	1.7	2.1	1.8	1.2
ALTA	2.7	2.4	1.5	4.8	4.7	2.6	1.3
BC	2.5	2.4	3.3	3.1	3.2	2.4	1.8
CAN	2.4	1.8	1.4	1.9	2.3	1.6*	1.0*

Sources: Statistics Canada, CMHC.

* The point estimate for the forecast of employment growth is 1.6 per cent in 2008 and 1.0 per cent in 2009. Economic uncertainty is reflected by the current range of forecasts which varies from 1.4 per cent to 1.8 per cent in 2008 and 0.5 per cent to 1.5 per cent in 2009.
(F) Forecast

Table 8: Unemployment Rate (percent)							
	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	16.5	15.7	15.2	14.8	13.6	13.5	13.5
PEI	11.0	11.3	10.8	11.0	10.3	10.6	10.8
NS	9.1	8.8	8.4	7.9	8.0	7.8	7.8
NB	10.3	9.8	9.7	8.8	7.5	8.5	8.8
QUE	9.1	8.5	8.3	8.0	7.2	7.3	7.3
ONT	6.9	6.8	6.6	6.3	6.4	6.4	6.7
MAN	5.0	5.3	4.8	4.3	4.4	4.1	4.4
SASK	5.6	5.3	5.1	4.7	4.2	4.2	4.5
ALTA	5.1	4.6	3.9	3.4	3.5	3.5	3.6
BC	8.0	7.2	5.9	4.8	4.2	4.3	4.5
CAN	7.6	7.2	6.8	6.3	6.0	6.1*	6.4*

Sources: Statistics Canada, CMHC.

* The point estimate for the forecast of unemployment rate is 6.1 per cent in 2008 and 6.4 per cent in 2009. Economic uncertainty is reflected by the current range of forecasts which varies from 6.1 per cent to 6.2 per cent in 2008 and 6.4 per cent to 7.2 per cent in 2009.
(F) Forecast

Table 9: Gross Domestic Product
(annual percentage change)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	5.8	-1.7	0.2	3.3	9.1	-1.0	1.5
PEI	2.1	3.0	1.3	2.6	2.0	1.3	1.2
NS	1.4	1.4	1.8	0.9	1.6	1.5	1.3
NB	2.8	1.4	0.5	3.0	1.6	1.5	1.3
QUE	1.2	2.6	2.0	1.7	2.4	0.5	1.2
ONT	1.4	2.5	2.9	2.1	2.1	0.2	1.3
MAN	1.4	2.6	2.7	3.2	3.3	2.3	1.7
SASK	4.6	3.8	3.5	-0.4	2.8	3.3	2.2
ALTA	3.2	5.2	5.3	6.6	3.3	2.1	1.9
BC	2.3	3.7	4.5	3.3	3.1	2.2	2.5
CAN*	1.9	3.1	2.9	3.1	2.7	1.0*	1.6*

Sources: Statistics Canada, CMHC.

* The point estimate for the forecast of GDP growth is 1.0 per cent in 2008 and 1.6 per cent in 2009. Economic uncertainty is reflected by the current range of forecasts which varies from 0.4 per cent to 1.0 per cent in 2008 and -0.3 per cent to 2.2 per cent in 2009.
(F) Forecast

Table 10: Total Net Migration *
(number of persons)

	2003	2004	2005	2006	2007	2008(F)	2009(F)
NFLD	-1,087	-2,359	-4,476	-3,915	-873	850	1,050
PEI	212	26	16	-111	417	500	250
NS	2,263	-681	-1,831	-1,998	311	1,250	525
NB	-268	-241	-2,009	-2,899	968	700	800
QUE	35,369	36,189	29,035	27,214	31,162	35,541	37,000
ONT	112,704	102,965	102,789	83,561	85,809	88,838	94,500
MAN	4,335	3,128	-1,487	1,612	8,906	8,900	8,700
SASK	-3,226	-4,459	-7,481	-1,769	11,388	11,250	10,000
ALTA	23,586	35,470	62,106	70,258	43,252	56,000	51,000
BC	36,645	42,511	50,822	52,789	58,277	57,900	57,400
CAN**	210,533	212,549	227,484	224,742	239,617	261,729	261,225

Sources: Statistics Canada, CMHC, (E) Estimate, (F) Forecast.
* Sum of interprovincial migration, international migration and non-permanent residents.

** Excludes Yukon, Northwest Territories and Nunavut.

Table 11a: Local Market Indicators

Census Metropolitan Area		Total Housing Starts	Single-Detached	NHPI Annual % Change	MLS® Sales	MLS® Avg. Price	Rental Vac. Rate (3+ Units)	Avg. Rent Two Bedroom (3 Units)
Victoria	2007	2,579	795	0.5	8,403	466,974	0.5	907
	2008(F)	2,340	740	1.0	6,700	485,000	0.3	950
	2009(F)	2,000	700	0.7	6,800	455,000	0.3	990
Vancouver*	2007	20,736	4,211	7.1	38,978	570,795	0.7	1,084
	2008(F)	20,000	3,900	4.4	26,500	588,000	0.8	1,120
	2009(F)	16,500	3,600	-3.0	27,500	535,000	1.0	1,160
Abbotsford	2007	1,088	527	n.a.	3,843	338,976	2.1	752
	2008(F)	1,400	400	n.a.	2,750	350,000	2.3	780
	2009(F)	900	350	n.a.	2,550	330,000	2.5	805
Kelowna	2007	2,805	1,130	n.a.	5,584	410,175	0.0	846
	2008(F)	2,400	850	n.a.	3,800	435,000	0.3	905
	2009(F)	1,850	750	n.a.	4,000	405,000	0.6	940
Edmonton	2007	14,888	7,682	32.1	20,427	338,636	1.5	958
	2008(F)	6,500	2,600	1.8	18,000	334,000	3.0	1,020
	2009(F)	6,000	3,000	0.5	18,500	335,000	4.0	1,050
Calgary	2007	13,505	7,777	16.2	32,176	414,066	1.5	1,089
	2008(F)	11,100	4,300	1.0	25,000	405,000	2.5	1,140
	2009(F)	7,000	4,500	-2.5	25,700	406,000	3.0	1,150
Saskatoon	2007	2,380	1,485	38.8	4,446	232,755	0.6	693
	2008(F)	2,400	1,250	22.0	3,600	287,000	2.0	860
	2009(F)	1,800	1,000	1.5	3,200	292,500	2.0	875
Regina	2007	1,398	864	22.2	3,957	165,613	1.7	661
	2008(F)	1,350	950	23.0	3,250	231,000	1.0	760
	2009(F)	1,120	800	9.0	2,800	236,000	1.2	855
Winnipeg	2007	3,371	1,870	11.8	12,319	174,202	1.5	740
	2008(F)	2,875	1,925	6.7	12,000	200,000	1.1	770
	2009(F)	2,700	1,850	6.5	12,100	208,000	1.3	800
Thunder Bay	2007	249	185	4.3	1,593	129,734	3.8	709
	2008(F)	216	200	6.0	1,657	140,500	3.3	717
	2009(F)	270	190	5.0	1,624	146,500	3.0	730
Sudbury	2007	587	514	4.3	2,751	182,502	0.6	749
	2008(F)	715	525	6.0	2,531	211,700	0.3	779
	2009(F)	600	500	5.0	2,404	221,200	0.2	810
Windsor	2007	614	417	-2.1	4,987	163,215	12.8	774
	2008(F)	388	280	0.6	4,600	160,000	13.3	768
	2009(F)	343	255	1.0	4,300	157,500	10.9	778

Sources: CMHC, Canadian Real Estate Association, Local Real Estate Boards, Statistics Canada.

*MLS® sales and prices for the Vancouver CMA refer only to the Real Estate Board of Greater Vancouver (REBGV) board area, which does not include Surrey, Langley, White Rock, and North Delta.

n.a.: data not available.

Table 11b: Local Market Indicators

Census Metropolitan Area		Total Housing Starts	Single-Detached	NHPI Annual % Change	MLS® Sales	MLS® Avg. Price	Rental Vac. Rate (3+ Units)	Avg. Rent Two Bedroom (3 Units)
London	2007	3,136	1,983	3.6	9,689	202,808	3.8	816
	2008(F)	2,610	1,400	3.0	8,700	211,000	3.2	833
	2009(F)	2,085	1,050	2.5	8,200	216,300	3.2	856
Kitchener	2007	2,740	1,159	1.5	7,031	252,429	2.7	829
	2008(F)	2,560	1,300	2.5	6,500	271,000	2.5	841
	2009(F)	2,650	1,400	2.6	6,100	277,000	2.4	854
St.Catharines-	2007	1,149	798	4.1	6,668	202,313	4.0	765
Niagara	2008(F)	1,140	690	3.5	6,100	207,000	3.8	780
	2009(F)	1,000	600	3.0	5,800	211,000	3.5	795
Hamilton	2007	3,004	1,761	4.5	13,866	268,857	3.5	830
	2008(F)	3,285	1,775	3.1	12,800	280,000	3.7	855
	2009(F)	3,045	1,685	2.6	12,000	288,000	3.6	890
Toronto	2007	33,293	14,769	2.7	95,164	377,029	3.2	1,061
	2008(F)	41,200	11,500	4.0	82,000	387,000	3.5	1,077
	2009(F)	32,000	7,000	3.0	75,000	394,000	3.0	1,095
Barrie	2007	980	746	n.a.	5,017	261,684	3.2	934
	2008(F)	1,630	1,080	n.a.	4,300	268,000	3.0	949
	2009(F)	1,150	850	n.a.	4,100	274,000	3.0	954
Peterborough	2007	540	324	n.a.	2,880	231,596	2.8	822
	2008(F)	430	320	n.a.	2,750	240,000	2.6	830
	2009(F)	410	310	n.a.	2,550	242,000	2.5	840
Brantford	2007	589	466	n.a.	2,305	209,151	2.9	755
	2008(F)	600	460	n.a.	2,150	218,000	3.1	785
	2009(F)	575	450	n.a.	2,000	224,000	3.1	805
Guelph	2007	941	575	n.a.	3,088	262,186	1.9	848
	2008(F)	920	450	n.a.	2,900	270,000	1.8	860
	2009(F)	890	440	n.a.	2,700	276,000	1.7	873
Oshawa*	2007	2,389	1,747	n.a.	10,223	269,971	3.7	877
	2008(F)	2,203	1,650	n.a.	9,100	277,100	3.5	889
	2009(F)	2,030	1,380	n.a.	8,400	280,000	3.4	905
Kingston	2007	880	600	n.a.	3,725	222,300	3.2	856
	2008(F)	635	570	n.a.	3,580	232,500	3.0	873
	2009(F)	610	520	n.a.	3,550	237,000	2.9	895

Sources: CMHC, Canadian Real Estate Association, Local Real Estate Boards, Statistics Canada.

MLS® data for St. Catharines-Niagara is aggregated using total numbers of the area's three real estate boards.

*MLS® numbers reflect all of Durham Region.

n.a.: data not available.

Table 11c: Local Market Indicators

Census Metropolitan Area		Total Housing Starts	Single-Detached	NHPI Annual % Change	MLS® Sales	MLS® Avg. Price	Rental Vac. Rate (3+ Units)	Avg. Rent Two Bedroom (3 Units)
Ottawa	2007	6,506	2,973	1.8	14,739	273,058	2.3	961
	2008(F)	6,850	2,920	1.7	14,000	288,500	1.9	980
	2009(F)	6,000	2,350	1.7	13,400	299,000	1.6	1,000
Gatineau	2007	2,788	1,037	1.8	4,607	185,693	2.9	662
	2008(F)	3,000	1,050	1.7	4,300	195,900	3.4	670
	2009(F)	2,600	850	1.7	4,200	201,800	3.0	680
Montréal	2007	23,233	8,013	4.3	43,543	253,340	2.9	647
	2008(F)	22,300	7,000	3.5	42,200	266,000	3.1	660
	2009(F)	20,100	6,400	3.0	40,500	276,000	3.3	675
Trois-Rivières	2007	1,197	430	n.a.	863	128,000	1.5	487
	2008(F)	1,150	400	n.a.	830	143,000	1.8	497
	2009(F)	1,000	350	n.a.	790	148,500	2.2	504
Sherbrooke	2007	1,318	666	n.a.	1,919	184,892	2.4	529
	2008(F)	1,530	780	n.a.	1,820	186 750	2,1	545
	2009(F)	1,250	600	n.a.	1,780	188 600	2,2	560
Québec	2007	5,284	2,144	4.0	7,287	178,212	1.2	641
	2008(F)	5,430	1,930	5.0	8,190	194,950	1.2	654
	2009(F)	4,550	1,650	3.0	8,300	204,700	1.2	664
Saguenay	2007	685	373	n.a.	1,260	136,977	2.8	490
	2008(F)	800	385	n.a.	1,230	150,000	3.0	500
	2009(F)	720	345	n.a.	1,225	160,000	3.2	510
Saint John	2007	687	412	0.9	2,253	140,544	5.2	570
	2008(F)	850	490	2.5	2,150	157,000	4.8	590
	2009(F)	770	440	2.0	2,000	163,000	4.5	610
Moncton	2007	1,425	655	0.9	2,849	140,032	4.3	643
	2008(F)	1,400	640	2.5	2,750	147,000	4.8	660
	2009(F)	1,270	600	2.0	2,600	151,500	5.0	675
Halifax	2007	2,489	1,207	5.8	6,938	215,018	3.1	815
	2008(F)	2,200	1,175	9.0	6,450	228,000	2.9	830
	2009(F)	2,025	1,025	3.0	6,200	235,000	3.2	855
St. John's	2007	1,480	1,174	5.0	4,471	149,258	2.6	614
	2008(F)	1,775	1,425	16.0	4,800	176,500	1.0	650
	2009(F)	1,650	1,300	7.5	4,400	187,500	1.5	725
Charlottetown	2007	394	295	1.3	650	166,244	4.3	659
	2008(F)	375	275	2.0	575	174,000	4.0	670
	2009(F)	325	225	2.0	500	176,000	3.8	700
ALL LISTED	2007	161,327	71,764	7.7	390,499	n.a.	2.6	n.a.
CENTRES	2008(F)	156,557	57,585	3.6	340,563	n.a.	2.8	n.a.
	2009(F)	129,788	49,315	1.4	327,773	n.a.	2.8	n.a.

Sources: CMHC, Canadian Real Estate Association, Local Real Estate Boards, Statistics Canada.

n.a.: data not available

Table 12: Major Housing Indicators (levels and quarterly percent change)

	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3
New Housing								
Building permits, units, thousands	234.5	218.7	249.0	246.4	236.9	216.0	227.1	214.9
% change	*-3.3*	*-6.7*	*13.9*	*-1.0*	*-3.9*	*-8.8*	*5.2*	*-5.4*
Housing starts, total, thousands	224.5	225.8	227.5	243.7	214.0	234.4	220.1	210.4
% change	*4.0*	*0.6*	*0.8*	*7.1*	*-12.2*	*9.5*	*-6.1*	*-4.4*
Housing starts, singles, thousands	117.0	117.3	118.1	121.2	117.3	99.2	97.7	94.1
% change	*-2.5*	*0.3*	*0.7*	*2.6*	*-3.2*	*-15.4*	*-1.5*	*-3.7*
Housing starts, multiples, thousands	107.5	108.5	109.4	122.5	96.7	135.2	122.4	116.3
% change	*12.2*	*0.9*	*0.8*	*12.0*	*-21.1*	*39.8*	*-9.5*	*-5.0*
Housing completions, total,	54,827	46,516	50,517	56,042	55,814	44,261	52,688	58,197
% change	*-8.6*	*-15.2*	*8.6*	*10.9*	*-0.4*	*-20.7*	*19.0*	*10.5*
New house price index, 1997=100	147.2	148.7	151.9	155.0	156.3	158.0	158.4	158.6
% change	*1.4*	*1.0*	*2.2*	*2.1*	*0.8*	*1.1*	*0.3*	*0.1*
Existing Housing								
MLS® resales, units, thousands	122,256	132,082	134,326	131,090	126,838	118,260	116,099	n.a.
% change	*2.9*	*8.0*	*1.7*	*-2.4*	*-3.2*	*-6.8*	*-1.8*	n.a.
MLS® average resale price, $C	282,965	294,205	303,410	308,137	317,405	313,995	309,820	n.a.
% change	*1.8*	*4.0*	*3.1*	*1.6*	*3.0*	*-1.1*	*-1.3*	n.a.
Mortgage Market								
1-year mortgage rate, per cent*	6.37	6.47	6.83	7.05	7.27	7.25	6.68	6.75
5-year mortgage rate, per cent*	6.60	6.60	7.01	7.22	7.46	7.29	6.93	6.95
Residential Investment**								
Total, $1997 millions	78,025	80,063	81,119	81,901	82,164	80,726	80,057	n.a.
% change	*-0.1*	*2.6*	*1.3*	*1.0*	*0.3*	*-1.8*	*-0.8*	n.a.
New, $1997 millions	36,051	36,514	36,941	37,670	38,094	37,056	36,776	n.a.
% change	*-2.7*	*1.3*	*1.2*	*2.0*	*1.1*	*-2.7*	*-0.8*	n.a.
Alterations, $1997 millions	30,604	31,356	31,604	31,972	32,436	33,216	32,876	n.a.
% change	*2.6*	*2.5*	*0.8*	*1.2*	*1.5*	*2.4*	*-1.0*	n.a.
Transfer costs, $1997 millions	11,808	12,580	12,916	12,668	12,188	11,348	11,276	n.a.
% change	*2.3*	*6.5*	*2.7*	*-1.9*	*-3.8*	*-6.9*	*-0.6*	n.a.
Deflator, 1997=100	128.8	131.1	133.8	135.5	136.8	136.6	137.4	n.a.
% change	*1.5*	*1.8*	*2.0*	*1.2*	*1.0*	*-0.1*	*0.6*	n.a.

Sources: CMHC, Statistics Canada, Bank of Canada, Canadian Real Estate Association.

n.a. Data not available.

* All indicators are seasonally adjusted and annualized except the New house price index and the Residential Investment deflator which are only seasonally adjusted and Housing completions and the 1-year and 5-year mortgage rates which are not adjusted or annualized.

** Residential Investment includes outlays for new permanent housing, conversion costs, cost of alterations and improvements, supplementary costs, and transfer costs.

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